GOVERNMENT OF INDIA
CIVIL AVIATION
LOK SABHA

UNSTARRED QUESTION NO:3285
ANSWERED ON:10.12.2001
AGREEMENT BETWEEN AIR INDIA AND VIRGIN ATLANTIC
S. SAIDUZZAMAN

Will the Minister of CIVIL AVIATION be pleased to state:

(a) whether an agreement was signed between Air India and Virgin Atlantic for 6 flights which was duly approved by the Government in March, 2000;

(b) if so, the details thereof;

(c) whether the Air India has failed to implement this agreement;

(d) if so, the reasons therefor; and

(e) the steps being taken to look into this serious lapse and fix responsibility in the matter?

Answer

THE MINISTER OF CIVIL AVIATION (SHRI SYED SHAHNAWAZ HUSSAIN)

(a) and (b): As per the principles laid down in the Heads of Agreement (HOA) concluded between Air India (AI) and Virgin Atlantic(VS) in December, 1999 and approved by the Government in March, 2000, VS can operate against AI`s unutilized entitlement under the India-U.K Air Services Agreement on London-Delhi sector subject to a code-share/block space agreement (CS/BSA)with AI. The agreement provides for operation of 3 services by VS on the days not served by AI. The agreement also provides for VS increasing its operations upto 6 frequencies under a trigger mechanism whereby an increase in frequencies will be considered provided AI retains its current loads on its 10 frequencies and seat factors on the CS/BSA flights exceeding an agreed level.

(c), (d)and (e): No Sir. As per the agreement VS commenced two services effective 5th July, 2000 on the days not served by AI. VS`s proposal to operate the third frequency was not supported by AI since it would have entailed an overlap with AI`s operations in violation of the agreement. The Government have asked AI to arrange a meeting with VS to resolve the issue.